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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

[C-489-502]

Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On April 2, 2012, the Department of Commerce (the Department) published in the Federal Register its preliminary results of administrative review of the countervailing duty (CVD) order on certain welded carbon steel standard pipe from Turkey for the January 1, 2010, through December 31, 2010, period of review (POR).¹ The Department preliminarily found that the following producers/exporters of subject merchandise covered by this review had de minimis net subsidy rates for the POR: (1) Borusan Group, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (BMB), and Borusan Istikbal Ticaret T.A.S. (Istikbal) (collectively, Borusan); and (2) Tosyali dis Ticaret A.S. (Tosyali) and Toscelik Profil ve Sac Endustrisi A.S. (Toscelik Profil), (collectively, Toscelik).² The Department has now completed the administrative review in accordance with section 751(a) of the Tariff of 1930, as amended (the Act). Based on our analysis of comments received, the Department has not revised the net subsidy rate for Borusan and Toscelik. Further discussion of our analysis of the comments received is provided in the

¹ See Certain Welded Carbon Steel Standard Pipe From Turkey: Preliminary Results of Countervailing Duty Administrative Review, 77 FR 19623 (April 2, 2012) (Preliminary Results).

² The review of Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) was rescinded. See Certain Welded Carbon Steel Standard Pipe and Tube from Turkey: Notice of Rescission of Countervailing Duty Administrative Review, In Part, 77 FR 6542 (February 8, 2012).

accompanying issues and decision memorandum.³ The final net subsidy rate for Borusan and Toscelik is listed below in the “Final Results of Review” section.

EFFECTIVE DATE: [Insert date of publication in the Federal Register.]

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska at 202-482-8362 (for Borusan) and Gayle Longest at 202-482-3338 (for Toscelik), AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 1986, the Department published in the Federal Register the CVD order on certain welded carbon steel pipe and tube products from Turkey.⁴ On April 2, 2012, the Department published in the Federal Register the preliminary results for this review.⁵ In the Preliminary Results, we invited interested parties to submit case briefs commenting on the preliminary results or to request a hearing.⁶ On April 20, 2012, we issued Memorandum to the File from Jolanta Lawska, Trade Analyst, AD/CVD Operations, Office 3, regarding “Case and Rebuttal Briefs Schedule,” (April 20, 2012). On May 18, 2012, we received case briefs from Borusan, Toscelik and Wheatland Tube Company (Wheatland). On May 23, 2012, we received

³ See Issues and Decision Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, concerning the Final Results of Administrative Review of the Countervailing Duty Order on Certain Welded Carbon Steel Standard Pipe from Turkey (Decision Memorandum).

⁴ See Countervailing Duty Order: Certain Welded Carbon Steel Pipe and Tube Products From Turkey, 51 FR 7984 (March 7, 1986).

⁵ See Preliminary Results, 77 FR 19623.

⁶ Petitioners in this review are Wheatland Tube Company, Allied Tube and Conduit Corporation and TMK IPSCO, and United States Steel Corporation (collectively, Petitioners).

rebuttal briefs from United States Steel Corporation (U.S. Steel) and Wheatland. We did not hold a hearing in this review, as one was not requested.

Scope of Order

The products covered by this order are certain welded carbon steel pipe and tube with an outside diameter of 0.375 inch or more, but not over 16 inches, of any wall thickness (pipe and tube) from Turkey. These products are currently provided for under the Harmonized Tariff Schedule of the United States (HTSUS) as item numbers 7306.30.10, 7306.30.50, and 7306.90.10. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Decision Memorandum, dated concurrently with this notice and which is hereby adopted by this notice. A list of the issues which parties have raised, and to which we have responded in the Decision Memorandum, is attached to this notice as an Appendix. The Decision Memorandum is a public document and is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available in the Central Records Unit, main Commerce Building, Room 7046. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/>. The signed Decision Memorandum and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

As noted above, the Department received comments concerning the preliminary results. Consistent with the Preliminary Results, we continue to find that Borusan and Toscelik had de minimis net countervailable subsidy rates for the POR. In accordance with section 751(a)(1)(A) of the Act, we calculated a total net countervailable subsidy rate of 0.22 percent ad valorem for Borusan and 0.35 percent for Toscelik. Pursuant to 19 CFR 351.106(c), these calculated rates are de minimis.

Assessment Rates/Cash Deposits

The Department intends to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of these final results, to liquidate shipments of subject merchandise by Borusan and Toscelik entered, or withdrawn from warehouse, for consumption on or after January 1, 2010, through December 31, 2010, without regard to countervailing duties because a de minimis subsidy rate was calculated for each company. We will also instruct CBP not to collect cash deposits of estimated countervailing duties on shipments of the subject merchandise by Borusan and Toscelik entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed companies, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to companies covered by this order, but not examined in this review, are those established in the most recently completed administrative proceeding for each company. The cash deposit rates for all companies not covered by this

review are not changed by the results of this review, and remain in effect until further notice.

Return or Destruction of Proprietary Information

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these final results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

July 30, 2012
Date

APPENDIX I

METHODOLOGY AND BACKGROUND INFORMATION

SUBSIDIES VALUATION INFORMATION

- A. Attribution of Subsidies
- B. Benchmark Interest Rates

ANALYSIS OF PROGRAMS

I. Programs Determined to be Countervailable

- A. Deduction from Taxable Income for Export Revenue
- B. Foreign Trade Companies Short-Term Export Credits
- C. Pre-Export Credits
- D. Pre-Shipment Export Credits
- E. Short-Term Pre-Shipment Rediscount Program
- F. Law 5084: Withholding of Income Tax on Wages and Salaries
- G. Law 5084: Incentive for Employers' Share in Insurance Premiums
- H. Law 5084: Allocation of Free Land
- I. Law 5084: Energy Support
- J. OIZ: Exemption from Property Tax

II. Programs Determined to not Confer Countervailable Benefits

- A. Inward Processing Certificate Exemption
- B. Investment Encouragement Program (IEP): Customs Duty Exemptions

III. Programs Determined to not be Used

- A. Post-Shipment Export Loans
- B. Export Credit Bank of Turkey Buyer Credits
- C. Subsidized Turkish Lira Credit Facilities
- D. Subsidized Credit for Proportion of Fixed Expenditures
- E. Subsidized Credit in Foreign Currency
- F. Regional Subsidies
- G. VAT Support Program (Incentive Premium on Domestically Obtained Goods)
- H. IEP: VAT Exemptions
- I. IEP: Reductions in Corporate Taxes
- J. IEP: Interest Support
- K. IEP: Social Security Premium Support
- L. IEP: Land Allocation
- M. National Restructuring Program

- N. Regional Incentive Scheme: Reduced Corporate Tax Rates
- O. Regional Incentive Scheme: Social Security Premium Contribution for Employees
- P. Regional Incentive Scheme: Allocation of State Land
- Q. Regional Incentive Scheme: Interest Support
- R. OIZ: Waste Water Charges
- S. OIZ: Exemptions from Customs Duties, VAT, and Payments for Public Housing Fund, for Investments for which an Income Certificate is Received
- T. OIZ: Credits for Research and Development Investments, Environmental Investments, Certain Technology Investments, Certain “Regional Development” Investments, and Investments Moved from Developed regions to “Regions of Special Purpose”
- U. Provision of Buildings and Land Use Rights for Less than Adequate Remuneration under the Free Zones Law
- V. Corporate Income Tax Exemption under the Free Zones Law
- W. Stamp Duties and Fees Exemptions under the Free Zones Law
- X. Customs Duties Exemptions under the Free Zones Law
- Y. Value-Added Tax Exemptions under the Free Zones Law
- Z. OIZ: Exemption from Building and Construction Charges
- AA. OIZ: Exemption from Amalgamation and Allotment Transaction Charges

ANALYSIS OF COMMENTS

Borusan

Comment 1: Whether the Department Should Grant an Offset to the Gross Subsidy Found on Turkish Eximbank Loans for the Bank Guarantee Fees

Toscelik

Comment 2: Whether the Denominator for Benefits at the Osmaniye Plant Should Include Sale of Billets

Comment 3: Whether the GOT’s Energy Subsidies Under Law 5084 Were Properly Attributed to the Subject Merchandise

Comment 4: Whether the Benchmark Price Used to Calculate Toscelik’s Benefit from the Provision of Land for Less Than Adequate Remuneration in the Organized Industrial Zone (OIZ) Should be Revised

Comment 5: Whether the Department Correctly Attributed Subsidies Received by Toscelik in the OIZ to Subject Merchandise and Should Continue to Do so in the Final Results

